

From the Coronavirus Support Hub:

Future Fund: Govt offers £1.25bn support package for innovative firms

Chancellor Rishi Sunak announced the £500 million Future Fund and £750 million of grants and loans for research and development (R&D) businesses in the UK on Monday (April 20th).

He described this as a means to offer support to the nation's high-growth and innovation-focused firms in response to the ongoing economic impact of the coronavirus pandemic.

Responding to the announcement, business secretary Alok Sharma stated: "The UK is a world leader in innovation and at this hugely challenging time, we know that young, fast-growing firms require tailored support to see them through.

"This wide-ranging package delivers important help that will protect some of the most dynamic sectors of our economy."

What is the Future Fund?

The Future Fund is being delivered in partnership between the government and the **British Business Bank**. It will offer loans of between **£125,000 and £5 million** to eligible fledgling businesses.

The scheme is tailored to meet the needs of businesses that **rely on equity investment** in order to maintain projected growth and sustain them through the current crisis, either because they are pre-revenue or pre-profit.

Eligible businesses must:

- Be **based in the UK**
- Be able to **attract equivalent match funding** from third-party private investors and institutions
- Have **previously raised at least £250,000** in equity investment from third-party investors in the last 5 years

The scheme will officially launch in May 2020 and all supporting loans must be used **for working capital purposes only**.

Support for SMEs in the R&D sector

In addition to the Future Fund, the chancellor also unveiled an additional **£750 million in grants and loans** that will be made available to small-to-medium enterprises in the UK R&D sector.

This funding will be **available to all Innovate UK members** and will be delivered through the body's existing grants and loan scheme:

- Delivery of up to **£200 million** of current grant and loan payments will be accelerated to approximately 2,500 Innovate UK customers on an **opt-in basis**
- Up to **£550 million** will also be made available in **increased financial support**

First payments under this scheme are expected to begin by **mid-May**.

Dom Hallas, executive director of The Coalition for a Digital Economy (Coadec), said: "Britain is the start-up capital of Europe and this package is a signal of intent that the government will make sure it remains so in the future.

"This support will help early-stage innovators survive the crisis and thrive after it."

Useful resources:

- [Gov.uk \(press release\): Billion pound support package for innovative firms hit by coronavirus](#)
- [Gov.uk: Apply for the coronavirus Future Fund](#)
- [British Business Bank: New Future Fund to Support Innovative UK Businesses](#)
- [Gov.uk: Innovate UK](#)